

Message Text

LIMITED OFFICIAL USE

PAGE 01 MADRID 03542 071848Z
ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-04 H-01 INR-07
L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15
USIA-06 AID-05 COME-00 EB-07 FRB-03 TRSE-00
XMB-02 OPIC-03 LAB-04 EPG-02 SIL-01 OMB-01 STR-04
CEA-01 /091 W
-----081016Z 078807 /12

R 071159Z MAY 77
FM AMEMBASSY MADRID
TO SECSTATE WASHDC 166
INFO USMISSION OECD PARIS

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E.O. 11652: N/A
TAGS: EFIN, SP
SUBJECT: OFFICIAL COMMENT ON POSSIBLE DEVALUATION

REF: MADRID 3507 (NOT TO USOECD)

1. IN ORDER TO DOWNPLAY THE LIKELIHOOD OF A PESETA DEVALUATION IMMEDIATELY FOLLOWING THE JUNE 15 ELECTIONS, UNDER SECRETARY OF FINANCE JAIME BASANTA APPEARED ON THE MAY 6 AFTERNOON TELEVISION NEWS. HE DID NOT, HOWEVER, DENY THAT A DEVALUATION MIGHT OCCUR SOMETIME AFTER THE ELECTIONS AND HE AVOIDED ANY DIRECT MENTION OF THE DUSSELDORF PRESS CONFERENCE WHICH SEEMS TO HAVE LED TO THIS TELEVISED STATEMENT.

2. IN SLIGHTLY UNSTRUCTURED RESPONSES TO THE INTERVIEWER'S QUESTIONS A SOMEWHAT NERVOUS-LOOKING BASANTA MADE THE FOLLOWING MAJOR POINTS:

--A DEVALUATION MAY EVENTUALLY BE NECESSARY BUT HE COULD NOT SPECULATE ON ITS TIMING. THE NEXT GOVERNMENT WILL MAKE SUCH DECISIONS.

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PAGE 02 MADRID 03542 071848Z

--A DEVALUATION SHOULD BE UNDERTAKEN ONLY AS PART OF A COORDINATED STABILIZATION PROGRAM.

--DOMESTIC PRICES OF IMPORTS WOULD BE FORCED UP BY A DEVALUATION, AND THIS IS UNDERSIRABLE.

--IN ANY CASE NO DEVALUATION IN EXCESS OF 15 PER CENT

WOULD TAKE PLACE.

BASANTA ALSO STATED THAT A PESETA DEVALUATION IS INCONSISTENT
WITH THE PRESENT GOVERNMENT'S STRATEGY TO REACTIVATE
THE ECONOMY. STABLER

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: DEVALUATION RUMORS, PESETA, NEWS MEDIA COMMENTS
Control Number: n/a
Copy: SINGLE
Sent Date: 07-May-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977MADRID03542
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770161-1183
Format: TEL
From: MADRID
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770582/aaaacszu.tel
Line Count: 67
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 429e0799-c288-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
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Previous Channel Indicators: n/a
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Previous Handling Restrictions: n/a
Reference: 77 MADRID 3507
Retention: 0
Review Action: RELEASED, APPROVED
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Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2608779
Secure: OPEN
Status: NATIVE
Subject: OFFICIAL COMMENT ON POSSIBLE DEVALUATION
TAGS: EFIN, SP, (BASANTA, JAIME)
To: STATE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/429e0799-c288-dd11-92da-001cc4696bcc
Review Markings:
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